

TITLE: Preference of University Students to Get Involved in the Agribusiness Sector

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SEMINAR SUB – THEME: DISSEMINATION OF KNOWLEDGE – TRENDS AND CHALLENGES

ABSTRACT

The last two decades, Malaysia has focused on industry for its economic development. Currently, the trends of economic development have moved towards agriculture, thus, agribusiness sector will become more important in the future. There are several government agencies directly involved in the development of agricultural sector such as Federal Agriculture Marketing Agency (FAMA) and the Malaysia Agriculture Development Authority (MADA). This exploratory study seeks to identify the preference and tendency of the Universiti Utara Malaysia (UUM) students. A questionnaire composed of closed ended questions was used to draw out responses from 318 students from three faculties in UUM. This study found that majority of the students agreed having a business idea is important. They also agreed that choice and type of business is very significant. However, most of them refuse to undertake agribusiness as their future career. The findings indicate that UUM students generally have high entrepreneurship spirit and likely to involve in business activity. Surprisingly, the students were not keen to involve in agribusiness sector. The study suggest that government agencies involved should play more proactive roles in disseminating the information such as incentives, training and funding for agribusiness sector to the university students.

INTRODUCTION

Berita Nasional Malaysia (BERNAMA) dated September 11, 2004 reported that UUM has offered to be the nation's agriculture management center in line with the governments' aim to make agriculture the country's third growth engine. Furthermore, RM 300 million in seed capital would be set up to encourage the private sector to be a catalyst in the commercialization of agriculture sector. Parallel with that, Entrepreneurship subject is a compulsory subject for all students at Universiti Utara Malaysia. It means that regardless of which course that the students enroll, they must study entrepreneurship. Agribusiness also requires entrepreneurship spirit, as it is a self-employed career

The concrete evident on the importance of agriculture to Malaysia is, there are many government agencies directly involved in the development of agricultural sector such as the MADA and FAMA. In the BERNAMA dated September 5, 2004, according to Ernst & Young Tax Consultant Sdn. Bhd. executive director Kenneth Lim, continuous focus on the SMEs and the agriculture sector is crucial for the country's economic growth. The most concrete evidence is when the government allocated large amount of money in the 2005 budget.

Objectives

This study attempt to explore the tendency of the students to own a business in the future. Besides that, it also would identify the preference towards agribusiness among undergraduate students.

Scope of the study

This study is based on the feedback from a sample of undergraduate students in the Faculty of International Studies, Faculty of Business Management and Faculty of Technology Management in UUM.

LITERATURE REVIEW

Agriculture conjure up thoughts of someone plowing a field, planting seeds, harvesting a crop, milking cows or feeding livestock (Beierlein & Woolverton, 1991). Nowadays, agriculture has evolved into agribusiness and has become a vast and complex system that reaches far beyond the farm to include all those who are involved in bringing food and fiber to consumers.

Specifically, agribusiness is more towards self-employed career and requires entrepreneurship spirit. According to Gartner (1988) entrepreneurship in its most basic form is the creation of organizations or owning a business. Furthermore, McClelland (1961) stated that, high need for achievement was likely to lead to a more proactive search of the environment and the desire to take calculated risks. It shows that interest in business is the main substance to be an entrepreneur.

According to Ajzen (1991), employment status preferences or behavioral choice intentions are the best predictors of actual employment status choice. Behavioral intentions, in turn, are determined by attitudes, subjective norms and perceived behavioral control. Furthermore, Dyer (1994) stated that education in entrepreneurship might influence these factors through socialization into entrepreneurship as a possible career path. Thus, it parallel with the UUM whereby, entrepreneurship subject is compulsory to all students. Continuously, Carter (1998) found in her focus group that many believed it was important to gain some work experience prior to start-up.

Various studies regarding entrepreneurship identified the different theoretical perspectives applied to psychologists' career studies (Sonnenfeld & Kotter, 1982):

- Social class (determine opportunities and socialization)
- Static personality differences (people should choose careers that match their personality)
- Career stages (issues and concerns vary systematically with the stage)
- Life cycle (biological and cultural factors viewed as important)

The changing structure in the Malaysian economy, downsizing by larger companies changing business patterns, movement to different markets all increase the emphasize on enterprise. Some researchers, such as Feagin and Imani (1994), believe that self-employment arises out of blocked mobility in the labor market.

Agribusiness promises unpredictable returns. Farms products are not only perishable, but they vary in quality. Production is highly seasonal and geographically concentrated in areas that are often located some distance from consumers. Farm commodities must be collected, sorted and swiftly moved to market, or stored for later use. These production and commodity characteristics give rise to the basic marketing activities, such as storage, transportation, processing and the like (Kohls, Uhl; 1985).

Spotanski (1989) found that customer relation skills and communication skills were the most required skill categories identified by Nebraska agribusiness managers whereas Cooper and Hilton (1985) reported a need for continuous revision of competencies need for agribusiness employment.

METHODOLOGY

This section outlines the methodology applied in the study.

Research Instrument

The research instrument was a four-page questionnaire divided into three sections. The first section is to determine the tendency among respondents to initiate their own business in the future. It includes the business ideas, knowledge in business, interest and choice of business. Nine questions to measure the tendency were listed. A 5 point Likert Scale was used ranging from '1 = Strongly Disagree' to '5 = Strongly Agree'.

The second section was designed to analyze the preference of the respondents to go for agribusiness in the future. This includes the whether agribusiness among their preferred future career and the preference towards agribusiness sector compared to public/private sector. To measure the preference, 5 point Likert Scale was used ranging from '1 = Strongly Disagree' to '5 = Strongly Agree'.

The last section was used to obtain the respondents' profile, namely, their gender, ethnic, working experience, place of origin, fathers' occupation and mothers' occupation.

Sampling procedure

The questionnaires were distributed directly to the students from three faculties in UUM namely from Faculty of International Studies, Faculty of Business management and Faculty of Technology Management and collected by the respective lecturers. The study involved convenience sampling and 400 questionnaires were distributed. The total population for these three faculties is 5807 students. Referring to Sekaran (2003), 357 samples are suitable from the total population, which consist of 5000 samples. 318 completed questionnaires were returned and were used for final analysis. Descriptive analysis was used to explain the findings.

FINDINGS

Profile of the respondents

The summaries of the respondents profile are given in Table 1. As stated earlier, the sample comprised of 318 undergraduate students from Faculty of International Studies, Faculty of Business management and Faculty of Technology Management. In term of gender, there were more female students (81.4%) as compared to the male students (18.6%). This is consistent with the present student population in the university, which has more female students than males. As for ethnicity, Malay students made up a majority of the respondents with 66.7%. The next largest group was the Chinese with 25.8% followed by the Indians (6.9%) and students of other ethnic groups (0.6%). Continuously, a majority of the respondents have working experience (67%) and the rest have no working experience (33%). In term of place of origin, a majority comes from Northern part of Malaysia (42.1%) followed by Eastern part (23.3%) and Southern part (17.0%). The rest comes from Middle part of Malaysia (15.1%) and Borneo (2.5%). Referring to the fathers' occupation background, others were the majority with 46.9%.

The others in this research referred to professionals, private sector and the occupation that do not in the list. This was followed by government servant (23.0%), businessman (15.4%) and farmer (14.8%). Referring to the mothers' occupation background, others were the majority with 81.4%. The others in this research referred to professionals, private sector and the occupation that do not in the list. This was followed by government servant (10.4%), farmer (4.7%) and businesswoman (3.5%).

Table 1: Profile of the respondents

	Frequency	Valid percent
A. Gender		
Male	59	18.6
Female	259	81.4
B. Ethnic Group		
Malay	212	66.7
Chinese	82	25.8
Indian	22	6.9
Other ethnicity	2	0.6
C. Work Experience		
Yes	213	67.0
No	105	33.0
D. Place of Origin		
North	134	42.1
South	54	17.0
East	74	23.3
Middle	48	15.1
Borneo	8	2.5
E. Fathers' Occupation		
Government servant	73	23.0
Businessman	49	15.4
Farmer	47	14.8
Others	149	46.9
F. Mothers' Occupation		
Government servant	33	10.4
Businesswoman	11	3.5
Farmer	15	4.7
Others	259	81.4

Table 2 showed the mean of the tendency to own a business. From the table, it was found that the choice and type of business assumed to be very important among respondents with a mean of 4.4560. This shows an early indicator towards venturing in agribusiness sector in the future as it depends how they perceive agribusiness. The next highest mean was 4.3522 whereby majority of the respondents agreed that having business idea is important. To some extent, they have tendency to own a business but they still ambiguous about the business that they want to venture. Apart from that, the majority has the same opinion that owning a business can give satisfaction and the mean score was 4.3365. This implies that they might gain an experience first before initiate their own business.

Furthermore, the respondents also agree that owning a business is the matter of interest, which means that it comes from pull factor and not push factor. Self-employed is still not perceive as an option to unemployment. Surprisingly, the majority also agreed that choice and type of business is not very important with the mean score of 4.0503 contras with the first mean. It indicates that, the respondents still blur about the types of business that they want to venture.

As expected, most respondents still unsure whether they should implement the business idea as soon as possible. Furthermore, they also want to do business, as full time as they unsure about starting it as part time. They also not sure whether business idea generated at university though they agreed that having business idea is important. They also disagreed that formal knowledge in business is not compulsory to start a business. The overall mean was 3.8927 which means the tendency to own a business is satisfactory high. Please refer to table 2.

Table 2: Mean of the tendency to own a business

Tendency	Mean	Std. Deviation
Choice and type of business is very important	4.4560	0.63763
Having business idea important	4.3522	0.70723
Owning a business can give satisfaction	4.3365	0.68558
Owning a business is the matter of interest	4.0755	0.77049
Choice and type of business is not very important	4.0503	0.85400
Business idea must be implemented soon	3.7642	0.86523
Business can be started as part time	3.5849	0.87230

Business idea generated in University	3.5566	0.94732
Formal knowledge in business is not compulsory to start a business	2.8585	1.06956
Overall mean	3.8927	

Table 3 illustrated the mean of the preference towards agribusiness as the future career. It was found that the mean for whether agribusiness promises a good return is still acceptable with the mean of 3.3931. However, it still near to unsure. The score of mean for the rest also in unsure category. For, the question about whether working in government organization/company based on agriculture is interesting the score of mean was 3.3270. The trend was the same for the following questions. The question arise when the respondents also unsure when they being asked whether they will only work in the government agencies/company which do not based on agriculture which gave 3.0126.

Unfortunately, only the small number of the respondents with the mean score of 2.5723 prefers to involve in agribusiness if they want to initiate their own business. The overall mean was 3.0629, which means the preference towards agribusiness as the future career still ambiguous.

Table 3: Mean of the preference towards agribusiness as future career

Preference	Mean	Std. Deviation
Agribusiness promise a good return	3.3931	0.85892
Working in government organization/company based on agriculture is interesting	3.3270	0.80218
Agribusiness is very interesting to undertake	3.2862	0.99043
I will accept offer to work in government agencies/company based on agriculture	3.1855	0.83317
I will involve in agribusiness if do not get any job	3.1792	0.83779
I will only work in the government agencies/company which do not based on agriculture	3.0126	0.99834

If I want to have my own business, I want it to be agribusiness	2.9182	0.85526
Agribusiness among the choice of my future career	2.6918	1.02308
If I want to have my own business, I want it to be not an agribusiness	2.5723	0.94625
Overall mean	3.0629	

DISCUSSION AND CONCLUSION

The results of the survey support the prevalent view in Malaysia that university students have high entrepreneurial spirit but their prime target of employment is still government sector or private companies. Although they tend to find that working with public or private sector more attractive, the majority of them admitted that having a business idea is important and they would like to own their own business in the future. Thus, it relates with the importance of teaching entrepreneurship to the university students.

The trends are parallel to those found in graduates elsewhere. The demand for graduates to fill professional employment is always the premier force determining career outcome, but the entrepreneurial spirit is a detectable and significant factor. Growing graduate unemployment and long term job insecurity are forces that would result in higher rates of self-employment amongst graduates. However, it is more difficult to promote entrepreneurial supply especially in agribusiness sector. The findings of this study is consistent with the previous studies (Rosa et. al., 1997) whereby very few university students interested to go for agribusiness because agriculture is the symbol of poverty. Furthermore, the low number of respondents who show the preference towards agribusiness might give an early indicator that not many university students realize that agribusiness sector being given priority by the government. The good sign is the majority has tendency to own a business in the future and it can be agribusiness if proper plan being implemented to nurture the students' interest towards that.

An interesting issue here, which is whether the information from the government especially Ministry of Agriculture reaches the university students. If not, the government should target university students as the future agribusiness entrepreneurs as majority of them has negative perception towards agribusiness sector. The interaction between agencies under the Ministry of Agriculture and the universities should be developed and maintained to ensure that all the information regarding agriculture such as incentives, loans, technical training etc. reach the students.

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